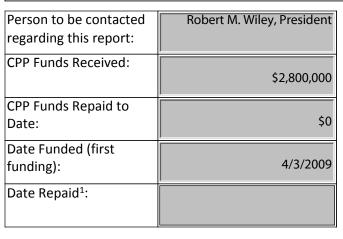
## **ANNUAL USE OF CAPITAL SURVEY - 2009**

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Prairie Star Bancshares, Inc.	
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RSSD:
(For Bank Holding Companies)

Holding Company Docket Number:
(For Thrift Holding Companies)

FDIC Certificate Number:
(For Depository Institutions)

City:

Olathe

State:

Kansas

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

	and reserves for loan losses have been, and continue to be, priorities.

<sup>&</sup>lt;sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

	To the extent the funds supported	
	increased lending, please describe the	
	major type of loans, if possible	
	(residential mortgage loans, commercial	
	mortgage loans, small business loans,	
	etc.).	
	Increase securities purchased (ABS, MBS,	
	etc.).	
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	Make other investments	
X	Increase reserves for non-performing	During 2009 reserves for non-performing loans were increased substantially over budgeted and
	assets	historical levels. CPP funds were used for a large portion of the additional reserves.

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	Reduce borrowings	
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$\overline{X}$	Increase charge-offs	CPP funds were used to stabilize capital in the face of increased loan charge-offs.
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	Purchase another financial institution or	
	purchase assets from another financial	
	institution	
	Held as non-leveraged increase to total	
	capital	

What actions were you able to avoid because of the capital infusion of CPP funds?		
From 2008, capital markets for community banks have been very tight and access to capital was very limited. Because of the availability of CPP		
funds, we were able to avoid severely curtailing lending and major balance sheet contraction. By avoiding this, we were able to continue to provide credit to the community in which we operate.		

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?			
The infusion of CPP funds helped to stabilized capital and increase reserve for loan losses.			

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.		

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.